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**JAPANESE-OWNED TENNESSEE SHELL COMPANY PAYS \$1 MILLION
IN RESTITUTION FOR ILLEGALLY BUYING AND TRANSPORTING OVERSEAS
THOUSANDS OF POUNDS OF FRESHWATER MUSSELS, ONE OF THE
UNITED STATES' MOST VALUABLE AND LEAST UNDERSTOOD
WILDLIFE RESOURCES.**

One Million For Mussels:

MEMPHIS - Veronica F. Coleman, United States Attorney for the Western District of Tennessee; H. Dale Hall, U.S. Fish and Wildlife Service Acting Regional Director; and Gary Meyers, Tennessee Wildlife Resources Agency Executive Director, announced today that the Camden, Tennessee-based, Japanese-owned Tennessee Shell Company pled guilty to a felony in U.S. District Court in Jackson, Tennessee, and will pay \$1 million in restitution for purchasing thousands of pounds of illegally taken freshwater mussels from rivers in Michigan, Ohio, Kentucky and West Virginia. This is the largest amount of restitution ever paid as a result of a federal criminal investigation into the illegal, commercial exploitation of wildlife resources. U.S. Fish and Wildlife Service special agents, state wildlife officers, and the Department of Justice made the case after a 4-year investigation into the company's multi-million dollar trade activities.

The largest shell buying/exporting company in the United States and a subsidiary of Kogen Trading Company, Ltd., of Tokyo, Japan, Tennessee Shell Company pled guilty to one felony Lacey Act count. The federal Lacey Act prohibits interstate commerce in wildlife protected under state or federal law and thereby enables federal law enforcement officers to assist states in protecting their wildlife resources.

According to Ms. Coleman, the Tennessee Shell Company purchased the large and valuable mussels from independent buyers and divers, with the full knowledge that they had been taken from waters where state law prohibited their harvest. "What this case boils down to is the plundering of America's wildlife, for profit," said Ms. Coleman.

"While freshwater mussels are not cuddly creatures with eyelashes, they are hugely important in the biological scheme of things," said Acting Regional Director Hall. "They are the proverbial 'canaries in the coal mine,' warning us of danger by detecting and filtering out pollutants and toxic chemicals in the water that may affect human health. They are also a food source for other animals and an

anchor for plants on the riverbed. But they are being wiped out as a result of human activities, and, in this case, because of greed," he said.

"As commercial quantities of shells became scarce in legal areas of the South, prices soared from \$2-3 to as much as \$13 per pound at the time of this investigation," said Director Myers. "Tennessee Shell and its suppliers began looking for any source of shells, legal or otherwise, which led them to the protected mussel beds. Today, however, the company is paying a high price for its illegal activities," he said.

A Federal Grand Jury in Jackson, Tennessee, has indicted 20 individuals for 136 counts of violating the Lacey Act, with regard to freshwater mussels. To date, 19 defendants have pled guilty and one has entered a pretrial diversion agreement in U. S. District Court in Jackson, resulting in a total of nearly \$67,000 in restitution ordered to be paid to the State of Michigan (from whose waters many of the mussels were harvested), along with prison sentences and periods of supervised release or probation for these individuals.



Mussel

The \$1 million in restitution from Tennessee Shell will be paid to the National Fish and Wildlife Foundation to establish the Freshwater Mussel Conservation Fund for mussel research and recovery. "This is an important event in the annals of wildlife conservation history because it ultimately returns a significant amount of money to wildlife agencies to work on the task of protecting and restoring the exploited species," said the Foundation's Director of Conservation Programs, Whitney Tilt. The Foundation is an organization established by Congress to assist the Fish and Wildlife Service and others in raising funds for wildlife conservation.

Special agents of the Fish and Wildlife Service worked with state officers in Tennessee, Kentucky, West Virginia, Ohio, Michigan, Alabama and Louisiana, to follow the trail of evidence from the Ohio, Muskingum, Green and Grand rivers to the company's headquarters in Camden, Tennessee, and from there through West Coast ports to Japan. Mr. Hall expressed particular gratitude to the Tennessee Wildlife Resources Agency and the Kentucky Department of Fish and Wildlife Resources for their assistance in making this case. "This case might never have come to prosecution without their help," he said.

According to Fish and Wildlife Service Special Agent David Cartwright, who led the investigation, tracking the criminals' paper trail to gather evidence was an exhausting, time-consuming process.

"Making the case involved analyzing 200,000 documents seized from Tennessee Shell Company, reviewing records, conducting interviews, and developing witnesses. Through this effort, we were successful in gathering overwhelming evidence against Tennessee Shell Company," said Cartwright.

Cartwright said the stolen shells were shipped to Tennessee Shell, where they were mixed with shells from legal sources, loaded into sacks, placed in 22-ton freight containers and exported to Japan by way of West Coast ports, including Los Angeles. Records recovered during the investigation revealed a \$50 million annual domestic business for shell companies in the United States and a \$5 billion annual foreign trade to meet the demands for pearls, fine jewelry and other products.

Director Myers pointed out that shelling can be and is done legally, including by Tennessee Shell Company, and provides jobs and livelihoods for about 10,000 people, primarily in the Mississippi River Basin.

Freshwater mussels are one of the most endangered families of wildlife in America. While found on every continent except Antarctica, freshwater mussels are most diverse in the Mississippi and Ohio River drainages of the United States. Of the approximately 300 known species of mussels, 30 are

extinct and another 70 are listed as threatened or endangered. An estimated 70 percent of the nation's mussels are at risk from a variety of threats, reflecting an unparalleled level of collapse of a family of wildlife. Human-induced habitat loss is considered the major reason for the collapse.

State conservation agencies and U.S. Fish and Wildlife Service biologists became alarmed at the loss of the mussel resources from poaching in recent years and requested that special agents of the Service's Division of Law Enforcement get involved to help them stem the interstate and international illegal trade.

Due to their larger size and greater thickness, shells of mussels from the South and Midwest are in great demand in the Orient. Most of the shells end up in Japan, where shell pieces are rounded into beads and implanted into live oysters. The bead is an irritant to the oyster and, in defense, the oyster secretes "nacre," a pearly substance, around the bead. After 2-3 years, a cultured freshwater pearl is formed. The larger the original bead, the larger the resultant pearl.

In the United States, the industry is primarily based along the Mississippi River drainage, with the largest companies predominantly located in Tennessee.

The joint federal and state investigations involved U.S. Fish and Wildlife Service special agents east of the Mississippi River; state wildlife officers from Tennessee, Kentucky, Michigan, Ohio, West Virginia, Alabama and Louisiana; and assistant United States Attorneys from Tennessee, Michigan and Illinois. Supervisory Assistant U.S. Attorney Len Register, United States Attorney's Office, Western District of Tennessee, Eastern Division, Jackson, led the prosecution. Special agents Carl Wilson (Grand Rapids, Michigan) and Andy Pierce (Columbus, Ohio) supported the investigation.

NOTE TO THE PUBLIC: Recent studies indicate that more than \$100 billion per year is generated in the United States economy directly from activities related to our public fish and wildlife resources. Unfortunately, analysis of world wide criminal activities conducted by Interpol and published in the November 1994 Time Magazine story "Animal Genocide, Mob Style" also reveals that the international illegal trade in wildlife trafficking is the second-largest form of black-market commerce in the world, behind drugs and ahead of illegal arms. The public can help stop wildlife law violations by reporting suspicious activities to State or Federal wildlife officers and by refusing to purchase products made from protected wildlife.

The U.S. Fish and Wildlife Service is the principal federal agency responsible for conserving, protecting, and enhancing fish and wildlife and their habitats for the continuing benefit of the American people. The Service's 94 million acres include 514 national wildlife refuges, 78 ecological services field stations, 65 national fish hatcheries, 50 wildlife coordination areas, and 38 wetland management districts with waterfowl production areas.

The agency enforces Federal wildlife laws, manages migratory bird populations, restores nationally significant fisheries, conserves and restores wildlife habitat such as wetlands, administers the Endangered Species Act, and helps foreign governments with their conservation efforts. It also oversees the Federal Aid program that distributes Federal excise taxes on fishing and hunting equipment to state wildlife agencies. This program is a cornerstone of the Nation's wildlife management efforts, funding fish and wildlife restoration, boating access, hunter education, shooting ranges, and related projects across America.

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